

HELM

FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

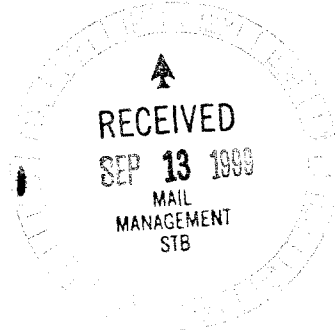
FAX 415/398-4816

RECORDATION NO. 22182-A FILED

July 20, 1999

SEP 23 '99

9-00 AM



Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

Enclosed are two (2) originals of the Assignment and Assumption Agreement ("**Agreement**") dated as of June 4, 1999 between the following parties:

"Assignor": Piedmont & Atlantic Railroad Co., Inc.
d/b/a Yadkin Valley Railroad
401 Henley Street, Suite 5
Knoxville, TN 37902

"Assignee": Helm Financial Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

The equipment involved in this transaction is as follows:

Equipment: See attached Schedule A to the Agreement.

Please file this Agreement as a supplementary document to Recordation No. **22182** (the correct #!) filed on June 4, 1999 at 3:10 pm and return one (1) stamped original to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Yours truly,

A handwritten signature in cursive script that reads "Alison Drain".

Alison Drain
Document Administrator

/ad
Enclosures (2)

SEP 23 '99

9-00AM

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is dated June 4, 1999 ("Closing Date"), by and between PIEDMONT & ATLANTIC RAILROAD CO., INC. d/b/a Yadkin Valley Railroad, a Tennessee corporation ("Assignor") and HELM FINANCIAL CORPORATION, a California corporation ("Assignee").

R E C I T A L S

WHEREAS, pursuant to the terms and conditions of that certain Agreement of Purchase and Sale dated as of June 4, 1999, between Assignor and Assignee ("Agreement") the Assignor desires to assign to Assignee all of its rights under the Locomotive Lease Agreement dated as of April 30, 1999 ("Lease"), between Assignor and Georgia & Florida RailNet, Inc., a Delaware corporation ("Lessee"), pertaining to the locomotives described on Schedule A hereto.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

1. Assignment. The Assignor hereby forever and irrevocably assigns, transfers and sets over to the Assignee all of its right, title and interest in and to the Lease, subject to no liens, security interests or other encumbrances; provided, however, that the Assignor retains and does not assign to the Assignee, the following rights: (a) the right to payment of (i) all rents and all other amounts due and payable under the Lease for all rental periods on or prior to May 1, 1999, and (ii) the right to the payment of indemnities and liability insurance proceeds which are now or hereafter payable to the Assignor for its own account under the Lease, in respect of any claims against the Assignor relating to periods ending on or prior to June 4, 1999, and (b) the right to enforce payment of the amounts referred to in the foregoing clause (a) of this paragraph without cost or expense to the Assignee.

2. Assumption. Assignee hereby assumes and agrees to fully and timely perform all of the obligations and liabilities of the Assignor under the Lease, to the extent such obligations and liabilities first arise after June 4, 1999.

3. Further Assurances. At the request of Assignee and without further consideration, the Assignor shall execute and deliver such additional instruments of transfer and will take such other action as Assignee may reasonably request in order to more effectively carry out the transactions contemplated in this Assignment.

4. Counterparts. This Assignment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.


5. Binding Effect. This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

6. Governing Law. This Assignment shall be governed by, and construed in accordance with, the laws of the State of California without reference to its conflict of laws provisions.

IN WITNESS WHEREOF, the parties pursuant to due corporate authority have executed this Assignment and Assumption Agreement through their authorized representatives as of the date first above written.

ASSIGNOR:


PIEDMONT & ATLANTIC RAILROAD CO., INC.
d/b/a Yadkin Valley Railroad

By: 
Name: H. Peter Claussen
Title: President

401 Henley Street, Suite 5
Knoxville, TN 37902

ASSIGNEE:

HELM FINANCIAL CORPORATION

By: 
Name: Richard C. Kirchner
Title: President

One Embarcadero Center, Suite 3700
San Francisco, CA 94111

SCHEDULE A
TO ASSIGNMENT AND ASSUMPTION AGREEMENT

Equipment Description:

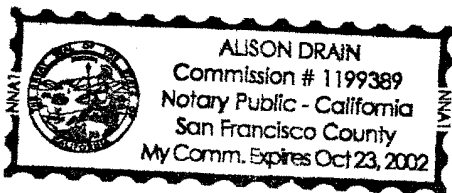
Eleven (11), GP10 locomotives.

Reporting Mark
and Number

RMWR 7913
GFRR 8050
RMWR 8136
AGLF 8265
GFRR 8274
GFRR 8302
GFRR 8309
AGLF 8314
RMWR 8331
AGLF 8395
GFRR 8396

STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On this 16th day of June, 1999, before me, Alison Drain,
personally appeared Richard C. Kirchner, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me
that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.



WITNESS my hand and official seal.

Alison Drain
Notary Public

[Notarial Seal]

STATE OF TENNESSEE)
) S.S.
COUNTY OF Knox)

On this 11 day of June, 1999, before me, Deborah K Jenkins,
personally appeared H. Peter Claussen, personally known to me (or proved to
me on the basis of satisfactory evidence) to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies),
and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the
instrument.

WITNESS my hand and official seal.

Deborah K Jenkins
Notary Public

[Notarial Seal]